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RUEHKB/AMEMBASSY BAKU PRIORITY 0010
RUEHBK/AMEMBASSY BEIJING PRIORITY 0051
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C O N F I D E N T I A L ISTANBUL 000106

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SUBJECT: AHMET CALIK ON ASHGABAT LEADERSHIP

Classified By: Classified by Consul General Deborah K. Jones for reason
s 1.5 (b) and (d).

¶1. (C) Ahmet Calik, Turkish oligarch and longtime Ashgabat insider, shared his views on Turkmen developments February 11 in Istanbul with visiting SCA PDAS Mann. We convey them as an additional window on Turkmen issues.

¶2. (C) Calik has known interim President Berdimuhamedov since 1997 when the latter, as health minister, was making his first trip abroad to Israel via Turkey. Calik accompanied him in Istanbul and Berdimuhamedov spoke no single word that was not on his printed talking points. Calik considered this either very smart or very stupid, and he now inclines to the former view. In the succeeding years, they both resided in the same Ashgabat apartment building (one that Calik's construction firm built) and developed a closer acquaintance. He considers Berdimuhamedov very intelligent and a master of detail. He is rough on subordinates, though he may be compelled to change as president. Asked who are his allies within the current leadership, Calik replied that there are no permanent ties, only shifting allegiances.

¶3. (C) The current leadership configuration, Calik believes, consists of Berdimuhamedov the defense minister, and the intelligence chief. The defense minister, he asserted, is close to Russia, the intelligence chief less so, though this is not true of the his subordinates in the intelligence service, who are more influenced by Russia. Berdimuhamedov remains more distanced from Russian influence than the other two. Rejepov, head of Presidential security, has put out the word that he plans to retire. This information comes from Rejepov's son, who is employed by Calik. Calik, though, is not ready to take this at face value; he believes Rejepov may be distancing himself from the current leadership maneuverings and looking toward a future role. Power, he believes, rests with the army and the intelligence service. Another key player to watch: the Turkmen ambassador in Moscow, who Calik says is the main channel for conveying the Kremlin's views to the new leadership. He considers this ambassador as a potential future president.

¶4. (C) Calik stated that Berdimuhamedov's priorities are first, to stay in office, and then to address key deficiencies, notably education and health. Turkmen agriculture is a major problem and Berdimuhamedov will want to tackle the problems of the money losing Soviet-style system. Calik believes the Turkmen people had high expectations with independence, expectations which were then dashed by Niyazov's misgovernance. If the national decline

continues, it could lead to unrest, and Calik therefore recommends that the US push hard on reform at the onset of a new government but push in a way that does not isolate Berdimuhamedov. The useful way to do this, he believes, would be to reach out through frequent senior visitors to Ashgabat and make clear to him the alternatives and the advantages that the United States can offer. He advised outreach to the intelligence chief, who he believes is persuadable, and even to the defense minister.

¶ 15. (C) On Turkmen energy, Calik believes that the sector is troubled, through underinvestment and the meager capabilities of the Chinese. By way of example, he disclosed an incident that has thus far been kept close-hold within the Turkmen government, a fire that developed in late 2006 in the Yolotan gas field. When local personnel were unable to control the fire, Niyazov requested Calik's assistance in bringing it under control. Calik then consulted American specialists and prepared a work proposal; the minister of energy, however, sidelined the proposal in favor of Chinese efforts. He stated that the Chinese have thus far proved unsuccessful and the fire continues. Calik was particularly scornful of the minister of energy as corrupt and inept. He warned that the Chinese have paid off both the minister and subordinate staff.

¶ 16. (C) Calik agreed with the USG view that Turkmenistan has large unrealized gas export potential and he suggested that both a trans-Caspian pipeline and a trans-Afghan pipeline were feasible, though not simultaneously. He expressed concern about Caspian delimitation impeding a TCP. Mann outlined the USG view that delimitation was not a prerequisite for a pipeline and he described the talks on energy issues held by Assistant Secretary Sullivan and his delegation in Baku. He advised Calik that the Turkish government must successfully address the transit tariff issue, in the first instance, with Azerbaijan, in order to achieve TCP development.

¶ 17. (C) Calik will travel to Ashgabat for the inauguration as part of the Erdogan delegation. Mann urged the Turkish delegation to reassure Berdimuhamedov that we do not expect him to change existing gas sales arrangements but that Turkmenistan should not undertake new commitments for development or export until it has had a chance to assess the issues fully and accurately and to discuss these with Turkey and the United States. Calik endorsed the message and stressed that it would be unwise to press Berdimuhamedov for specific commitments at this early stage. His advice: build a relationship, visit frequently, and continue to provide the new president with data and options. Berdimuhamedov may still be unsure in dealing with foreigners, and Calik thought it would not be unexpected for the president to divert meetings to his ministers until he gained greater sureness.

¶ 18. (C) Comment: Calik has been a player in Turkmenistan since independence and at one point in Niyazov's reign was termed the second most powerful man in the country. He clearly is concerned about his fortunes with the new regime, in energy, construction, and textiles, and has a strong interest in confronting Russian influence and in being able to show the new leadership that he is influential with the Turkish and the American governments. Calik was famously close-mouthed throughout the Niyazov years, so to speak at length and in detail on Ashgabat developments is a sign in itself of his concern.

JONES